

Draft

Yemen

Soviet Bloc economic penetration of Yemen provides a glaring instance of the use of trade and aid as an investment in disorder.

Yemen is strategically located at the entrance to the Red Sea from the Gulf of Aden. It commands one entrance to all Suez Canal traffic; the oil moving westward as well as British and European goods moving to the East.

Soviet overtures were appealing to the Imam because the Bloc was willing to supply him with arms, while the West would not. These arms in Yemini hands can only create more trouble in the Middle East. They will fan the Imam's dispute with the British and with local sultanates over the borders of the Aden Protectorate and the occupation of Karmaran Island.

Yemini aspirations have been buttressed by Egypt since the Imam joined Nasser's United Arab Republic. The extension of Nasser's influence to Yemen and to Syria has already had serious anti-Western repercussions in the oil rich kingdoms of the Middle East, particularly in Saudi Arabia. It may endanger our own military base at Dhahran.

The Soviets were quick to sense the opportunity to create disorder by giving aid to Yemen. They moved quickly. In less than two years, the Sino-Soviet Bloc has already granted \$80 millions

in credits to Yemen. Additional offers of over \$20 millions are currently outstanding. Arms valued at \$30 millions have been delivered. A Soviet and Czech military mission of some 65 advisors is currently in Yemen for training assistance.

Even the Chinese have joined in with an offer of a loan of \$15 millions. If all proposed projects are carried out, the Communists will play a key role in economic as well as military development.

A similar striking example of ruble diplomacy is the Syrian case. About \$300 millions of aid has been extended by the Bloc, mostly for arms. With these sums, the Communists are trying to purchase a long coveted strategic position in the Eastern Mediterranean.